

BOARD OF ALDERMEN

City of Newton
Massachusetts

MEMORANDUM

To: Members of the Board

From: President Baker

Subject: Newton North: following up on 2/15 and preparing for March 1

Date: February 15, 2006

I recognize that formal aldermanic votes will have to await the submission and process attendant to site plan review and voting a bond issue for further architectural work through the usual process of review by the Public Facilities, Programs and Services, and Finance Committees after appropriate items have been docketed before the Board by the Executive Department. At the same time, my sense of the Board from last night is that further attention to design issues should await the result of the work of the Design Review Committee on a new school design and the Board's site plan review under Section 5-58, recognizing that when a schematic design is done (as opposed to the preliminary work on the new options we now have), we will have updated cost estimates built around a more specific proposal, which itself can take advantage of economies that cost-conscious and careful design of a new building may provide. If anyone disagrees with my sense of the Board, please let me know.

In the meantime, the next order of our work seems to be to continue to focus more on the how the City will pay for a new school as well as the other capital expenditures anticipated by Mr. Pooler's plan for moving over time toward a capital budget for the City from approximately 3 per cent of annual revenues to 4.5 per cent. We also know from Mr. Wilkinson's helpful analysis what is likely to be the impact on the operating budget, which itself has inherent cost increases for health insurance, pension costs, etc., independent of collective bargaining settlements.

To that end, at my request, Mr. Olson, working with Mr. Pooler, Mr. Wilkinson and Mr. Parnell, has assembled a list of outstanding questions from last night, which is attached. If these questions are inaccurate, please let Mr. Olson know right away since we don't want to seek answers to the wrong questions. Note that some of the questions involve responding to inquiries about specific building issues, but I do not anticipate they

will be the focus on March 1, though they still need to be addressed. Also, given the constraints of time, not all questions may be ready for answer on March 1, but I'm sure all involved will do their best to do so.

To that end, I would ask that any other questions you have be provided no later than Tuesday night so that I can work with the Executive Department on Wednesday to get the preparation underway so that answers, if possible, will be ready for the packet on Friday 24 in anticipation for the discussion on March 1.

I should indicate that on March first I expect to have the Board hear a briefing from Ms. Smalley of the Law Department and Mr. Karg of the Election Commission on what processes might be available for gauging voter sentiment about financing a new school, if that is ultimately the will of the Board. Note that by asking the questions, I do not presume the Board yet desires any specific outcome, since any delay in working to design and bid a new school is likely to involve construction cost escalation, as we heard again last evening, but we do need to know what our options are.

My hope is that we can get enough information on March first to avoid another meeting beyond that. To be safe, however, I have reserved the Chamber one more time for March 15th, which I hope we will not need, but simply save other issues or questions until we have some formal action to take pursuant Section 5-58 and any funding request to follow. Please do mark your calendars, however.

Thanks for patience as we work together to get the information we need to make the wisest decisions on this important issue, and as always, I welcome your questions or advice.

cc: Mayor Cohen, Sandy Pooler, Nick Parnell, Superintendent Young, School Committee Members, Arthur Cohen, Design Review Committee, Peter Karg, Gayle Smalley

Questions raised by Aldermen to be addressed for March 1, 2006 meeting:

1. Could we solicit private contributions to support the project? If so, would we be able to offer naming opportunities?
2. Could you please provide a document that shows the process to get the GMP?
3. What are the potential cost savings that could be achieved through selling 20-year bonds sooner to lock in low interest rates and to avoid having to sell interest-only bond anticipation notes?
4. Do we still have a chance of getting additional state aid through the School Building Assistance Fund?
5. What would the effect on the financing be if we were to propose a partial debt exclusion override? Would such an override allow us to sell 20-year bonds sooner, locking in lower interest rates as well as reducing our reliance on bond anticipation notes, thereby reducing the overall costs of the project?
6. What would the effect of a small annual operating override dedicated to paying for capital expenditures be? Could such an override pay the additional borrowing costs associated with the increase in Newton North construction costs and also make additional funds available for other projects like fixing our fires stations and finishing Newton South?
7. Is there any possibility that we could apply for federal grants or other federal assistance to address costs associated with parts of the project? Should we ask out Congressional Delegation to look into including support for the project in the federal budget?
8. What will be the annual operating budget outlays for each scenario to support the high school's construction costs (direct outlay + principle payments on debt + interest payments on debt) for each year of the borrowing schedule?
9. Can a list of things that have transpired since the original Strekalovsky and Hoyt study that made the suggestion to renovate be provided?
10. Can the board get a copy of the state code that triggers ADA requirements and copies of any ADA legislation in the works that might effect the project?
11. How much of the design money that was appropriated has been spent?
12. Please provide a cost breakdown of the renovations at Newton South to bring it up to code for the ADA, life safety, and seismic compliance.
13. Please provide a cost comparison of energy bills between Newton North and South.

14. Can Craig Holmes provide an evaluation of Aldermen Parker's cost estimation analysis?
15. Can we have historical data back 10 years on annual growth in the operating budget?

Questions about Asking the Voters about the Newton North High School Project

Gayle Smalley of the Law Department and Peter Karg from Elections are preparing a presentation for the Board for the March 1, 2006 meeting. These questions will be addressed at that meeting.

1. Should we place an advisory question on the ballot and if so, should the question be an up-or-down vote on a recommended plan or a menu of options?
2. Should a ballot question be descriptive ("borrow funds to build a new high school") or quantitative ("support borrowing up to \$150 million for construction of a new high school")? If quantitative, what dollar figure should be used? Should it be contingent on additional state aid?
3. Should we wait to hear back from the state before placing a question on the ballot?
4. Is there an alternative way to measure public support other than a ballot question that would be acceptable to the community?